

Wage and Hour Division, Labor

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the workweek including March 11 through March 17, 1990. In addition, applicable collective bargaining agreements were reviewed for sugarcane farms.

(e) *Commonwealth government.* In the case of the Commonwealth Government of Puerto Rico, a census of hourly earnings was undertaken of all government departments, commissions and other agencies. A separate survey was conducted of government corporations. Managers, officials and employees in positions which require a college degree were excluded from the surveys.

(f) *Municipalities.* In the case of the municipalities of Puerto Rico, a census of hourly earnings was conducted. Managers, officials and employees in positions which require a college degree were excluded from the survey.

[55 FR 12120, Mar. 30, 1990, as amended at 55 FR 53247, Dec. 27, 1990]

§ 510.21 SIC codes.

(a) The Conference Report specifically cites Puerto Rico's annual Census of Manufacturing Industries as a source of average hourly wage data by industry. Industries in that census are organized by Standard Industrial Classification (SIC), the statistical classification system used for a variety of governmental and statistical purposes. With respect to non-manufacturing industries, or other industries not included in the Census of Manufacturing, the Conference Report stated that data "should be at a level of specificity comparable to the four digit Standard Industry Code (SIC) code level."

(b) The Standard Industrial Classification (SIC) codes listed in appendix A and B herein are designated in accordance with the Standard Industrial Classification (SIC) Manual, 1987, published by the Executive Office of the President, Office of Management and Budget. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161. Copies may be inspected at all federal depository libraries in the Commonwealth of Puerto Rico; at the district office of the Wage and Hour Division,

U.S. Department of Labor, New San Juan Office Building, 159 Chardon St., room 102, Hato Rey, PR 00918; at the Commonwealth of Puerto Rico Department of Labor and Human Resources, Prudencio Rivera Building, Munoz Rivera Avenue 505, Hato Rey, PR 00918; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Establishments are classified according to their primary activity. The classification structure classifies industries by:

(1) Two-digit major group,

(2) Three digit industry group, or

(3) Four-digit industry code, according to the level of industrial detail which may be required.

Each operating establishment is assigned an industry code on the basis of its primary activity, which is determined by its principal product or group of products produced or distributed, or services rendered.

[55 FR 12120, Mar. 30, 1990; 55 FR 12778, Apr. 5, 1990, as amended at 69 FR 18803, Apr. 9, 2004]

§ 510.22 Industries eligible for minimum wage phase-in.

(a) Appendix A contains a listing of all industries included in the Census of Manufacturing. Appendix B contains a listing of non-manufacturing industries. These listing are organized by SIC numbers, presented by:

(1) Major group (two-digit classification),

(2) Industry group (three-digit classification), and (3) industry (four-digit classification). In each instance the phase-in tier which applies to that industry or group is indicated.

(b) Employers are required to utilize the most detailed classification which applies to their industry. Where an employer's four-digit SIC code is listed, the tier applicable to that code determines the minimum wage phase-in schedule for that employer. (See § 510.10, above).

(c) Where an industry is not listed by four-digit SIC code, employers shall utilize the three-digit which applies to

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their industry. If a three-digit code is not listed, employers shall use the applicable two-digit code.

[55 FR 12120, Mar. 30, 1990; 55 FR 12778, Apr. 5, 1990]

§ 510.23 Agricultural activities eligible for minimum wage phase-in.

Agriculture activities eligible for an extended phase-in of the minimum wage in Major groups 01, 02, and 07 have been incorporated into Appendix B—Nonmanufacturing Industries Eligible for Minimum Wage Phase-In. Applicable wage rates are effective retroactive to April 1, 1990. Employers in the sugarcane farming industry (SIC Number 0133) who are subject to Tier 3 wage rates but who have paid wage rates based on Tier 2 wage rates may not take any action to recoup such payments where those actions would have the effect of reducing the wage rate being paid at the time of such recoupment to below that required under Tier 3.

[55 FR 53247, Dec. 27, 1990]

§ 510.24 Governmental entities eligible for minimum wage phase-in.

(a) The Commonwealth government of Puerto Rico has been determined to be eligible for treatment under Tier 2, on the basis of wage data supplied to the Department.

(b) Appendix C of this part contains a listing of Commonwealth government corporations, indicating the phase-in tier which applies. Entities which do not appear on the list are those for which no wage data were supplied. These entities are therefore categorized under Tier 1, and are ineligible for an extended phase-in.

(c) Appendix D of the part contains a listing of municipalities, indicating the phase-in tier which applies. Municipalities categorized under Tier 1 are those which failed to supply wage data.

(d) Employees of municipalities who have reason to believe that the municipality by which they are employed has been incorrectly categorized, e.g., categorized under Tier 3 instead of Tier 2, may no later than June 1, 1990, file with the Administrator a petition for review. The petition shall be accompanied by any information the em-

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ployee may have to support a determination that the municipality is incorrectly categorized. In the event the Administrator determines that a tier other than that listed in appendix D of this part applies, the affected municipality shall be liable for retroactive payment of any back wages found to be due.

(e) Certain employees of municipalities or government corporations in which the average wage is less than \$4.00 per hour are eligible to be paid under Tier 4, rather than Tier 3. Tier 4 applies only to those employees employed by municipalities or government corporations who are principally engaged in one or more of the “traditional” functions listed in § 510.24 (a) or (b). All other employees of such entities must be paid in accordance with Tier 3.

[55 FR 12120, Mar. 30, 1990; 55 FR 12778, Apr. 5, 1990]

§ 510.25 Traditional functions of government.

(a) Section 6(c)(4) of the Act, as amended, limits the six-year phase-in of the statutory minimum wage (“Tier 4”) to those employees with an average wage of less than \$4.00 per hour who were brought under minimum wage coverage “pursuant to an amendment made by the Fair Labor Standards Amendments of 1985.” The Department has interpreted this language as referring to section 2(c) of the 1985 FLSA Amendments, which provided for deferred liability for minimum wage violations (until April 15, 1986) “with respect to any employee who would not have been covered under the Secretary’s special enforcement policy” published in 29 CFR 775.2 and 775.4. The latter subsection listed those functions of State or local government which were determined by the Supreme Court’s ruling in *National League of Cities v. Usery*, 426 U.S. 833 (1976) (subsequently overruled by *Garcia v. San Antonio Metropolitan Transit Authority*, 469 U.S. 528 (1985)) to be integral operations of the governments in areas of traditional governmental functions. The listed “traditional” functions included the following:

- (1) Schools.
- (2) Hospitals.